

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

**JOHN BROWN and KAREN BROWN,**  
**individually and on behalf of all**  
**others similarly situated,**

**Plaintiffs,**

**V.**

**AUTO-OWNERS INSURANCE  
COMPANY,**

**Defendant.**

**Case No.: 21-cv-2597**

## JOINT MOTION TO STAY

Plaintiffs John Brown and Karen Brown (“Plaintiffs”) and Defendant Auto-Owners Insurance Company (“Auto-Owners”) jointly request that the Court stay all proceedings in this matter until the Illinois Supreme Court issues its decision in *Sproull v. State Farm Fire & Casualty Co.*, which was argued on Wednesday, May 19, 2021. In support of this motion, the parties state:

1. Plaintiffs are Illinois residents. They assert claims for breach of contract and declaratory judgment against Auto-Owners on behalf of themselves and a putative class consisting of Auto-Owners policyholders in Illinois, Kentucky, Wisconsin, Utah, and Arizona who had structural damage claims and received actual cash value (“ACV”) payments from Auto-Owners for covered damage. ECF No. 1. Plaintiffs dispute whether Auto-Owners may depreciate labor costs when estimating ACV under the terms of the policy. *Id.*

2. Auto-Owners has waived service of the summons and complaint, but has not yet responded to the complaint. Pursuant to the waiver, Auto-Owners' response to the complaint is due by July 26, 2021.

3. *Sproull v. State Farm Fire and Casualty Co.* is currently pending in the Illinois Supreme Court. The central legal issue in that case is similar to the core legal issue here. In *Sproull*, Circuit Judge William A. Mudge certified the following question to the Appellate Court of Illinois:

Where Illinois' insurance regulations provide that the 'actual cash value' or 'ACV' of an insured, damaged structure is determined as 'replacement cost of property at time of loss less depreciation, if any,' and the policy does not itself define actual cash value, may the insurer depreciate all components of replacement cost (including labor) in calculating ACV?

*Sproull v. State Farm Fire & Cas. Co.*, 2020 IL App (5th) 180577, ¶ 1. The Appellate Court answered "no." *Id.*, ¶ 41.

4. On November 18, 2020, the Illinois Supreme Court granted State Farm permission to appeal the ruling of the Appellate Court. *Sproull v. State Farm Fire & Cas. Co.*, 159 N.E.3d 950 (Ill. 2020). The Supreme Court heard oral argument on May 19, 2021, and its decision is currently pending.

5. The question before the Illinois Supreme Court parallels the central legal issue in this case. In both *Sproull* and this case, the plaintiffs allege breach of contract based on an insurer's alleged depreciation of labor in calculating ACV on a homeowner's structural damage claim. Thus, the parties anticipate that the Illinois Supreme Court's decision in *Sproull* will be dispositive of the central legal issue in this case. Of course, the parties cannot predict exactly how the Illinois Supreme Court will choose to address the issues in *Sproull*, and reserve their rights to argue about the applicability of the *Sproull* decision to the factual context of this case, if necessary.

6. Auto-Owners has not yet filed a response to the complaint and joins in this consent motion in lieu of an answer or dispositive motion at this time. The Court has not yet issued a

scheduling order, so the only date likely affected by this motion is Auto-Owners' July 26, 2021, deadline to respond to the complaint.

7. The parties jointly request that the Court exercise its power to stay all proceedings in the above-captioned matter until an opinion is issued by the Illinois Supreme Court in *Sproull*. See *Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936) (“[T]he power to stay proceedings is incidental to the power inherent in every court to control the disposition of the causes on its docket with economy of time and effort for itself, for counsel, and for litigants.”); *Tex. Indep. Producers & Royalty Owners Ass’n v. EPA*, 410 F.3d 964 (7th Cir. 2005) (citing *Landis*); *Freed v. Friedman*, 215 F. Supp. 3d 642 (N.D. Ill. 2016) (quoting *Landis*). Because the Illinois Supreme Court’s decision in *Sproull* could decide this case, or at least substantially narrow the issues in dispute, the parties agree that the interests of justice and judicial efficiency warrant a stay of Auto-Owners’ response deadline and any discovery efforts until after *Sproull*’s resolution.

8. The parties submit that the proposed stay will not result in undue delay but rather will further judicial economy and the efficient resolution of this case.

Wherefore, Plaintiffs and Auto-Owners jointly and respectfully request that the Court stay all proceedings in this case until the Illinois Supreme Court issues its decision in *Sproull*. Within fourteen days of the Supreme Court’s opinion, the parties will jointly inform the Court and request that the stay be lifted. Once this Court lifts the stay, the parties request and agree that Auto-Owners will have twenty-one days to answer or otherwise respond to the complaint.

Dated: July 26, 2021

Respectfully submitted,

/s/Andrew J. Scavotto

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing document was forwarded this 26<sup>th</sup> day of July, 2021 to all attorneys of record via the Court's electronic filing system.

By: /s/Andrew J. Scavotto